

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: GLOBAL CROSSING LTD. AND FRONTIER CORPORATION	DOCKET NO. SPU-99-24 (SPU-99-16)
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**ORDER DOCKETING APPLICATION, PROVIDING NOTICE OF HEARING,
TAKING OFFICIAL NOTICE, AND SETTING PROCEDURAL SCHEDULE**

(Issued July 30, 1999)

On May 7, 1999, Global Crossing Ltd. (Global Crossing) and Frontier Corporation (Frontier) (collectively, Applicants) filed a "Proposal For Reorganization" pursuant to IOWA CODE § 476.77 (1999) (the Application). The Applicants request Board approval to transfer control of Frontier's Iowa operating subsidiaries to Global Crossing. The Board docketed the Application as Docket No. SPU-99-16.

On May 26, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a "Motion To Dismiss And To Reject Defective And Insufficient Filing" (the Motion to Dismiss). Consumer Advocate argued that many of the material allegations contained in the Applicants' Application, even if true when made, were substantially changed as a result of the announcement of a proposed merger between Global Crossing and U S West Inc. (U S West), making the Application defective and insufficient.

On June 25, 1999, the Board granted Consumer Advocate's motion and dismissed the Application. The Applicants were given the option of either re-filing their application with additional information about the anticipated impact of the proposed U S West merger or re-filing in conjunction with any proposed reorganization involving U S West.

On July 15, 1999, the Applicants filed an application for rehearing, asking the Board to withdraw the order granting the motion to dismiss and to establish a procedural schedule for the expeditious completion of this docket. In support of their requests, the Applicants argue that the Board's dismissal was in violation of Board rules and wrongfully denied the Applicants their right to a review of the Frontier-Global Crossing transaction as a stand-alone proposal. They also argue the potential U S West transaction is irrelevant to this docket and should be considered in a separate docket at the appropriate time. In the alternative, the Applicants supply additional information for the record concerning the anticipated impacts of the U S West transaction. Finally, the Applicants request expedited consideration of their application, as supplemented.

On July 20, 1999, the Applicants filed an amendment to their application for rehearing, informing the Board that the merger agreement between Global Crossing and U S West has been canceled and there is no longer any significant effect from that transaction to be considered in connection with the Frontier operations in Iowa. Applicants renew their request for rehearing, for withdrawal of

the order granting the motion to dismiss, and for an order setting an expedited procedural schedule.

On July 22, 1999, Consumer Advocate filed a resistance to the application for rehearing. Consumer Advocate offers various procedural and substantive arguments in support of the validity of the Board's order dismissing the application. Consumer Advocate joins in the Applicants' request for a procedural schedule. However, Consumer Advocate argues the Board should do so in a new docket, considered to have commenced with the filing of the amended application for rehearing on July 20, 1999.

In a separate order being issued today, the Board will deny the Applicants' request for reconsideration of the order granting the motion to dismiss. Instead, the Board will docket the Applicants' most recent filings as a new application, identified as Docket No. SPU-99-24, with an initial filing date of July 20, 1999 (the filing date of the supplemental information regarding U S West), and set a procedural schedule designed to complete the case by October 18, 1999. The Board will also take official notice in this docket of everything filed in Docket No. SPU-99-16 in order to avoid unnecessary re-filing. This approach gives an earlier deadline for Board action than the Applicant's proposal, although the deadline can be extended for up to an additional 90 days, if subsequent events establish good cause for so doing.

Three motions to compel filed by Consumer Advocate were pending in Docket No. SPU-99-16 when it was dismissed. If Consumer Advocate wishes to renew those motions, then a short statement to that effect should be filed with the Board within five days of the date of this order.

IT IS THEREFORE ORDERED:

1. A new docket, identified as Docket No. SPU-99-24, is hereby initiated for the purpose of considering the "Proposal For Reorganization" filed on May 7, 1999, by Global Crossing Ltd. and Frontier Corporation, as amended by their subsequent filings in Docket No. SPU-99-16. For purpose of IOWA CODE § 476.77(2), the Application is deemed to have been filed on the date of the most recent supplemental information, July 20, 1999.

2. The Board hereby takes official notice in this docket of all documents and orders filed in Docket No. SPU-99-16. There is no need for any party to re-file in this docket or re-serve any document previously filed and served in Docket No. SPU-99-16, absent a Board order directing otherwise.

3. By virtue of their appearances in the prior docket, the Applicants and the Consumer Advocate are parties to this new docket. Any other interested person may file a petition to intervene in this docket on or before August 9, 1999. Any response to a petition to intervene should be filed within five days of the date the petition is filed and served.

4. The following procedural schedule is established:

- a. Applicants shall file prepared direct testimony, with supporting exhibits and workpapers, on or before August 13, 1999.
 - b. Consumer Advocate and any intervenors shall file any prepared direct testimony, with supporting exhibits and workpapers, on or before August 30, 1999.
 - c. Applicants shall file any rebuttal testimony, with supporting exhibits and workpapers, on or before September 13, 1999.
 - d. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 10 am on September 30, 1999, in the Board's hearing room at 350 East Maple Street, Des Moines, Iowa. Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request that appropriate arrangements be made.
 - e. Any party desiring to file a brief may do so on or before October 8, 1999.
5. In the absence of objection, all workpapers shall become a part of the evidentiary record at the time the related testimony and exhibits are entered in the record.
6. In the absence of objection, all data requests and responses referred to in oral testimony or cross-examination which have not previously been filed with the Board shall become a part of the evidentiary record. The party making

